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## THE PAYMENT OF WAGES ON A MONTHLY BASIS

By Wang Shih-hsin

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CONSTRUCTION OF SYNTHETIC AMMONIA PLANTS IN  
CH'ANG-CH'UN AND OTHER AREAS

- COMMUNIST CHINA -

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## THE PAYMENT OF WAGES ON A MONTHLY BASIS

- COMMUNIST CHINA -

[Following is the translation of an article written by Wang Shih-hsin, in Kiangsi Jih-pao, Nan-ch'ang, 12 August 1960, page 2]

In the first half of 1960, more than 90% of the production teams (the basic calculation units in the Shang-jao District (Ti-ch'u) have already adopted or are adopting the system of paying wages on a monthly basis. Paying wages on a monthly basis is an important reform in the distribution method of the people's communes. This reform demonstrates a further rise in the management efficiency level in the people's communes. The ration system has solved the food problem for the members of the communes, and now the system of paying wages on a monthly basis solves the problem of spending money for them. This is a good beginning for the peasants in their transition from the end of the year pay day to the monthly pay day.

### The Positive Effects of Wage Payments on a Monthly Basis

Judging from the conditions in the Shang-jao District--though the application of the monthly wage payment system has not been in force very long and experience is still inadequate--great effects have manifested themselves in many areas.

The adoption of the monthly wage payment system, from the standpoint of distribution, can directly accelerate great advances in production. The process of paying wages on a monthly basis is actually a regular inspection process of the fruits of production. The amount of wages paid not only reflects good or bad production. It is, at the same time, related directly to the personal interests of the commune members; thus, this system naturally coordinates individual interests with collective interests and compels the

commune members to give more attention to collective production and to the improvement of collective production.

The members of the Tung-hsiang Hsien Chan-hsu Commune's Chan-hsu Production Team have well summarized the situation in these words: "In the past (before the adoption of the monthly wage payment system) no distribution was made until the completion of the wheat harvest; you would not know the amount you would receive until the end of the year. Now, we have in mind what is coming; our wages are paid on a monthly basis. Thus, the commune members' positive factors for production are unprecedentedly high.

The adoption of the monthly wage payment system permits organization of income in accordance with a plan and arrangement of consumption for the commune members also in accordance with a plan. Under the regulations of the monthly wage payment system, the cadres of the various levels must on the one hand, secure sufficient grain and, on the other hand, acquire enough money. Thus, the securing of sufficient grain and the acquiring of enough money enable them to more fully implement the "walking on two legs" policy. In Wu-yuan and Po-yang hsien, 556 production teams have already adopted the monthly wage payment system. In order to overcome the difficulty of acquiring enough cash for the payment of wages and to balance income and consumption, these teams strive for agricultural production. At the same time, they assign some workers--whom they organize into special production teams--to operate a variety of undertakings. Just in the two months of April and May, the cash receipt was more than 3,040,000 yuan, an increase of 80% over that of the same period of time last year.

In all areas where the monthly wage payment system is in operation, there is a unified relationship among distribution, accumulation, consumption, wages and rations. Final estimates and payments are correctly handled, so that production and distribution, accumulation and consumption all are carried out according to plan. This strengthens more effectively planning for the distribution of labor. Under the guidance of collective planning, the individual commune member also have a plan for his income and expenditure.

The application of the monthly wage payment system can better implement the policy of distribution on the basis of labor. In the past, under the indefinite wage payment system, the outstanding problem was the confusion created by the commune members' irregular drawings and savings, the over-drawings and the small debts, all of which dragged from year to year without the possibility of being cleared. This situation seriously affected the complete implementation of the

policy of distribution on the basis of labor. After the adoption of the monthly wage payment system, this problem was solved basically. Distribution is made from month to month, and the policy is carried out from month to month. It is as the commune members now say: "The wages are paid on a monthly basis, fairly and reasonably. The more you labor, the more you receive, no matter whether you are old or young. You will be paid on time, and there is no trick involved."

The application of the monthly wage payment system can also coordinate the commune's distribution activity and its management activity. Under the monthly wage payment system, every area insists on using the "three contracts" as the basis for coordinating the judging of labor attitudes, the estimating of basic labor norms and the judging of rewards and penalties. Under these conditions, the system of production responsibility and labor management are effectively strengthened. In order to strive for above-norm production rewards, the cadres in the small production teams self-consciously strengthen the operation group's leadership and thereby establish the production responsibility system. In order to fulfill their basic labor norms, the commune members take active part in work with the hope of getting more and thus higher wages.

In Po-yang Hsien's Hsieh-chia-t'an People's Commune, eleven of the twelve small production teams of the Hua-min Production Team originally never kept any records of labor units or merely kept records of absentees. After the adoption of the monthly wage payment system, the commune members not only seriously judged the quality of labor and gave labor units accordingly, but also established a labor norm, so that this year, the efficiency in seedling planting was two times higher than that of the previous years. At the same time, the monthly wage payment system also causes the cadres in the communes and the production teams to strengthen economic calculation. It also emphasizes the importance of economic effects. It is as the cadres in the Wu-yuan Hsien Tung-tien People's Commune's Tung-tien Production Team have said: "In the past, the method was to use and then calculate afterwards, but now the method is to calculate first and then use. Nothing can be left to chance."

The adoption of the monthly wage payment system combines the wage system and the ration system into a more effective distribution system, by which the commune members' food problems can be completely solved. At the same time their money spending problems can be solved. These facts are advantageous to the consolidation and development of this

distribution system. Furthermore, the application of the monthly wage payment system hastens production development, which in turn raises the amount of wages, and the increase in production naturally increases the amount of rations. This encourages a distribution system that includes the combination of wage and ration systems to take the form of a continuous forward development.

The adoption of the monthly wage payment system can organically combine the political activities and the definite material reward system together to continuously raise the commune members' communist awareness and collective thought, so that the masses will realize that the participation in labor and the promotion of better production are their own conscious undertakings by which the labor system will be consolidated.

In the Yu-chiang Hsien Huang-ch'i People's Commune's Chin-tun Production Team, by coordinating the judging of morale and the monthly wage payment system, the high tide of a "learn from the advanced, catch up with the advanced and surpass the advanced" spirit of labor competition has vigorously swept through the entire area. The commune members that have been judged as advanced producers constitute 70% of the commune. The rate of participation in labor is 100%.

#### The Inevitable Results of the Development of the People's Communes

The universal application of the monthly wage payment system is the inevitable result of developments in objective conditions. As early as the latter part of the advanced cooperative movement, there was already a movement for the payment of wages on the monthly basis in the Shang-jao District. After the establishment of the people's communes, the monthly wage payment system made further progress. In some of the production teams which had a greater amount of cash income, the monthly wage payment system was gradually established. This was the case for forestry, fishery and vegetable production teams. In the process of practical application, the monthly wage payment system was greatly enriched in content, demonstrating the great usefulness of this system. It raised the cadres' management efficiency level and also actuated the masses' positive factors for production. The great masses enthusiastically demanded the adoption of the monthly wage payment system. The people's communes adopted the distribution system which includes the ration and wage systems. They resolved the food problem for the commune members, but their

money spending problem became an immediate, rather than a seasonal one, so they urgently demanded that the problem be resolved immediately.

However, under the conditions of a gradually enlarging sphere of collective undertakings, the reliance in the past on the commune members themselves to solve the personal expenditure problem now underwent great changes. Under these circumstances, the adoption of the monthly wage payment system has become truly necessary. The rapid development of the people's communal production has created conditions suitable to adoption of the monthly wage payment system.

Firstly, owing to the great progress made in basic construction in farm lands, production has shown a greater stability. Secondly, owing to the continuous enlarging of the sphere of the communal undertakings, agricultural, forestry, animal husbandry, subsidiary and fishery productions have enjoyed all-over development. Self-supporting production and commercial production simultaneously increased. This, on a very large scale, transformed the situation of production income from that of an isolated undertaking, so that the unbalanced production income has now become balanced. All these facts have clearly proved that the monthly wage payment system as promoted by the people's communes at present is not only necessary but also completely possible.

#### Actively Create Conditions for the Monthly Wage Payments System

After the objective conditions were recognized through actual practice, the local party committees, in accordance with instructions from the central government and in connection with the problem of distribution, adopted experimentally the monthly wage payment system in the more qualified production teams. In the less qualified production teams they adopted the wage payment system on a two month basis. At the same time, the local party committee urged the least qualified production teams that could not adopt the monthly wage payment system at that time to actively create conditions suitable for the transition to the monthly wage payment system. This proclamation was enthusiastically welcomed by the great masses. The various levels of party committees, imbued with the spirit to increase production on the one hand and to develop efficient distribution on the other, strengthened their leadership in these fields of activity. Consequently, the monthly wage payment system spread rapidly throughout the entire district.

Of course, in the process of promoting the monthly wage payment system, the movement was met with certain ideological obstacles, such as "conditionalism." At the very beginning, some people thought that the monthly wage payment system could be promoted only in those areas where production was stabilized, living standards were high, and cash income was great, such as the mountain areas, the lakeside areas and the vegetable growing areas in the suburbs of the cities and some parts of the areas that produce economic goods but they thought that this system could never be adopted in any other areas. The party committees directed timely criticism against this ideology of "conditionalism." The party leaders did not refute the fact that in order to adopt the monthly wage payment system, we must have certain conditions. But as followers of Marxism, we should not negatively wait for conditions to ripen by themselves. On the contrary, we should actively create these conditions. The chain of events occurred just in this manner. By simply relying on the superiority of the people's communes, by promoting good grain production, and, at the same time, by vigorously promoting many undertakings, and by actively organizing cash income, the realization of the monthly wage payment system is entirely possible.

In order to acquire some experience, the Tung-hsiang Hsien Party Committee established an experimental point for the application of the monthly wage payment system for the Chan-hsu People's Commune's Chan-hsu Production Team. The Chan-hsu Team is a poor team whose production and living standards are very low. Any attempt to apply the monthly wage payment system in such a poor area cannot but raise doubts in the minds of most people. Even some members of the party committee in the People's Commune entertained the idea that it was impossible to apply the monthly wage payment system to the Chan-hsu Production Team.

On account of this, the Tung-hsiang Hsien Party Committee organized a working committee to penetrate deep into the area and discuss the problem with the cadres on the lowest echelon. The masses supported the movement enthusiastically and everybody offered plans. They began to raise vegetables in between the rows of cotton trees and they allowed workers to begin many other undertakings. These activities not only completely solved the problem of acquiring sufficient cash for the monthly payment of wages but also increased the organization's annual income from a total of 88,000 yuan to one of 140,000 yuan. The income for the whole team increased 30%.

Fear of trouble also hindered the promotion of the monthly wage payment system. Some people thought: "After the application of the monthly wage payment system, to acquire

grain and to acquire money simultaneously is to ask for very much trouble." Accordingly, these people were not willing to promote the monthly wage payment system. This was due to the fact that these comrades did not realize that though the adoption of the monthly wage payment system might increase the amount of work somewhat, the trouble brought about by the adoption of this system--as compared to the trouble caused by the interim loans undertaken by the commune members--is far less exacting.

#### Several Basic Links Need Attention

In order to promote effectively the monthly wage payment system, one must hold fast to the following several basic links:

The application of the monthly wage payment system must be coordinated with production and organized income so that income will be organized and distribution will be carried out according to plan. Production is the basis for distribution. The more production develops, the greater will be the increase in income, and the better will be the distribution. Consequently, there must be a definitely active and stabilized production income in order to consolidate a basis for the adoption of the monthly wage payment system. As such, there must be not only an increase in self-supporting production but also an increase in commercial goods production in order to expand cash income so that production income and distribution payment can be met on time.

In order to accomplish this, adequate attention must be given to the strengthening of planning. There must be an all-year and all-encompassing plan for production output and production cost, a tentative arrangement for every month and every undertaking, and a regular inspection plan, so that as soon as a leakage is discovered, it will be stopped immediately. If this is done we can guarantee the realization of the plan and assure definite income.

The application of the monthly wage payment system must be coordinated with political activities. In applying this system, the inspection and the summarization of production must be coordinated with the evaluation and comparison of revolutionary morale. After the system is in effect, there must be started a competition to learn, to surpass and to assist, so that the process of operating the monthly wage payment system will become a self-education and self-improvement process for the masses and the purely economic view point will be mastered.

The application of the monthly wage payment system must be based on the "three contracts." The production team pays the monthly wages on a contractual and labor unit basis to the contracting group, which in turn pays the members in accordance with the actual amount of labor each has accomplished. This is the faithful implementation of the principle of distribution in accordance with the amount of labor done.

There must be a periodic (once a season) coordination of the monthly wage payment system with evaluations and comparisons of the "three contracts" reward and penalty system. In dispensing rewards and penalties, proper consideration must be given to those experimental units that promoted advanced technology and technical reforms. In coordinating the monthly wage payment system with the evaluations and comparisons of the basic labor norm, there must be a strict enforcement of the system of "If you work, you eat; if absent, you must pay." Different scales of wages must be established to make proper remuneration for labor done under different degrees of difficulty and with different degrees of technical skill.

The policy of identical wages for the same kind of work for both men and women must be faithfully carried out. A woman's wages must be calculated separately and paid to the individual (unless she herself agrees that her wages may be included with those of the other members of the family).

On conclusion, it must be through the full implementation of the monthly wage payment labor policy that we actuate the commune members' positive factors of production labor, the motivating force in promoting production.

New situations and new tasks, in particular, require us to strengthen our leadership in the application of the monthly wage payment system. In giving guidance in this activity, the party secretary must assume political prominence. A special man must take charge of administration, promoting production on the one hand and carrying out distribution on the other. He must strive the whole year, from month to month and during key periods. In striving the whole year, he must plan annual income and distribution for the year. In striving month to month, he must organize cash income and effectively manage monthly wage payment activity. During key periods, he must concentrate his strength so that he may carry out his duty fully effectively in each of the four seasons.

## CONSTRUCTION OF SYNTHETIC AMMONIA PLANTS IN CH'ANG-CH'UN AND OTHER AREAS

[The following is a translation of an article  
in Kirin Jih-pao, Ch'ang-ch'un, 12 August 1960,  
page 1.]

For the purpose of supplying more nitrogen fertilizer and increasing food production, in Yen-pien, Chiao-ho, Liao-yuan, Ch'ang-ch'un and other areas, the race is on for the early completion of 800-ton-per-year and 2,000-ton-per-year synthetic ammonia plants.

In those hsien and shih where plants are located, the manpower and resources of construction enterprises and machine- and electrical manufacturing plants are joining in the manufacture of facilities and equipment. The structural work of the newly-constructed Yen-pien Fertilizer Plant is about completed and equipment tests are being conducted. At the 2,000-ton-per-year plant at Chiao-ho, site preparation has been completed and installation of equipment begun. At Liao-yuan and Ch'ang-ch'un, construction is already in progress and in other areas, work is being conducted in locating plant sites, preparing materials and readying construction.

In the construction of fertilizer installations, except for three principal assemblies [of equipment] provided by the Central Government, the rest of the facilities, and by far the larger share, was manufactured within the province. The first order of five complete sets of synthetic ammonia equipment was manufactured by provincial machinery works, chemical equipment factories--a total of 16 enterprises.

In order to fulfill and overfulfill the construction plans and to achieve earlier production, all related agencies have done well in planning and scheduling. Even under conditions of lack of materials, incomplete specifications and designs and other difficulties, the on-schedule delivery of raw materials and [other] materials has been basically assured.

To speed up the construction of fertilizer installations, related departments and industrial enterprises have done their best in solving problems of techniques, materials and equipment. The Kirin Chemical Industry Company has assigned technical personnel to help in the construction of

Yen-pien and Chiao-ho plants; the Provincial Petro-Chemical Department has assigned a team experienced in synthetic ammonia plant construction to participate in on-the-spot construction. In the interest of more efficient operation, the Provincial Machine Industry Department, local technical research offices and other agencies have organized teams for trips to manufacturing plants and construction sites to review and expedite progress. (By Reporting Team, Provincial Petro-Chemical Industry Department).

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